CI NOTE: Following info take 10/02/02 by Werner from the following web site: http://www.google.com/search?q=cache:5AaqpXf5z2oC:www.pf.com/pdf/gm.pdf+YEHUDA+YOKED &hl=en&ie=UTF-8

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Vicksburg Chemical idles production; parent seeks Chapter 11 bankruptcy protection

Vicksburg Chemical Co. idled its production in the wake of a bankruptcy filing by its parent Cedar Chemical Corp. While the filing came Mar. 8, Vicksburg said production had been down a few days before as the result of mechanical problems. As of Mar. 14, the company was in a "warm standby" until a decision is made to resume production, according to a company official.

With the idling came the layoff of 65 employees, which represents 60 percent of the company's workforce. Vicksburg, which produces potassium nitrate products, has an annual capacity of approximately 200,000 st/y. Vicksburg also has the capacity to produce mono-ammonium phosphate; however, the product has not been produced in a few years.

In total, about 65 percent of Cedar Chemical's combined work force at its Arkansas and Mississippi plants are laid off, according to Yehuda Yoked, Cedar Chemical president and CEO. "The court has approved a cash-collateral budget and a creditors' committee has been established," he told Green Markets. "At this stage, no details as to the future are available."

Vicksburg says it will take care of customers with existing inventories. However, at least one customer last week told Green Markets they were told not to expect product promised for April.

While the company initially indicated that the plant's idling was temporary, some market sources were not so sure. Indeed, in its bankruptcy documents, Cedar Chemical suggests that it ultimately plans to shed its assets, saying all parties are best served by the continuation of its business operations as a debtor-in-possession under Chapter 11 until sale of its assets as a going concern and a confirmation of a Chapter 11 plan.

Cedar Chemical filed for Chapter 11 bankruptcy protection in New York. It listed total assets as of Dec. 31, 2001 of \$59.3 million and debts of \$110.8 million. Liabilities do not include contingent liabilities that the company may still face as a result of lawsuits over a 1995 nitrogen tetroxide release in Bogalusa, La. (GM Archives). In the filing, the company said the immediate cause of the bankruptcy was the inadequate liquidity to fund existing operations and to satisfy ongoing obligations. It said underlying financial difficulties arose out of the continuing decline in profitability in a competitive environment.

Cedar Chemical is owned by Nine West Corp., which is owned by private Trans-Resources Inc. of New York City. TRI, according to its last 10Q (Nov. 17, 2000), is a wholly owned subsidiary of TPR Investment Associates Inc.

TRI's major assets include Cedar Chemical and Haifa Chemicals Ltd., also a potassium nitrate maker. More recent additions have included smaller fertilizer companies Na-Churs/Alpine Solutions, Marion, Ohio; Plant Products Co. Ltd., Brampton, Ont.; and EMV Kft., of Hungary.

TRI estimated in its last 10K filing (March 30, 2000) that in 1999, 33 percent of its assets are in the United States and 67 percent in Israel. TRI had a 1999 loss of \$15.9 million on sales of \$497 million. Of those sales, specialty plant nutrients contributed \$319 million, industrial chemicals \$109 million and organic chemicals \$69 million.

J.P. Morgan Chase of New York is listed as the major secured creditor and is owed \$83.2 million. However, it was noted that this was covered by only \$59.3 million in collateral.

The major unsecured creditor was PPG Industries Inc. of Atlanta, Ga., at \$9.1 million. PPG was the only unsecured creditor to top the \$1 million mark. Creditors with fertilizer connections include El Dorado Chemical Co. of Oklahoma City, Okla., owed \$329,811; and Rhodia of Atlanta owed \$156,451.

In addition to its Vicksburg fertilizer operations, Cedar Chemical operates a crop protection plant at West Helena, Ark. As noted above, that plant also saw layoffs.

"While organic chemical group was a viable and growing business, we could not earn enough to continue to offset the losses of other nonperforming parts of Cedar Chemical group," according to a letter to employees by Cedar Chemical Vice President Stanley Bernard. "We had hoped and thought the banks would have been receptive to carving out the organic chemical division and restructuring the loan agreements to reflect actual organic division debt."

"The action is especially disappointing to us in Cedar's pesticide business, as our efforts in building a pesticide business outside of rice were starting to come into full bloom and even looked as if David [Cedar] was finally going to beat Goliath and a biased federal agency to gain a Metolachlor registration. We were able to do this in spite of our financial restraints."

"Only while trying to grow our business in these last couple of years have we been able to gain a real insight into the fear multinationals have for competition and how ruthless and truly unethical some of them can be," added Bernard.

Bernard said in the Mar. 10 letter that the company hopes to have some guidance as to the future of the company next week. "We hope in the cards there is some way we can put things back together, resume operations and resume seeking our goals."

Cedar Chemical identified the West Helena, Ark., plant as its primary asset, but also listed its long-standing environmental issues (per bankruptcy requirements), while saying it also is in compliance with all OSHA and Process Safety Management practices. The Arkansas plant is on 50 acres, with six separate processing units, waste water treatment, laboratories, an administration building, a finished goods warehouse, maintenance shop, spare parts warehouse and various other buildings on the site.

The comp any has leased storage space at some 33 locations in the U.S. and Canada, and one in Belgium.

TRI's last 10K said the company owns the Vicksburg fertilizer plant, which is located on a 600-acre site.